



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO. 9:15am C

COUNCIL MEETING 6/25/09

APPROVED BY

June 25, 2009

FROM:

LARRY WESTERLUND, Councilmember, District Four
ANDREAS BORGEAS, Councilmember, District Two

BY:

Rosalyn Belluomini, Chief of Staff, District Four RB

Presented to City Council

Date 6/25/09

Disposition

Rec. 09-144
adopted

SUBJECT:

ADOPT A JOINT RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF FRESNO CALIFORNIA, REQUESTING RELIEF FROM DROUGHT AND REGULATORY DECISIONS SEVERELY REDUCING THE AMOUNT OF FEDERAL WATER SUPPLY DELIVERIES TO FRESNO COUNTY AGRICULTURE.

RECOMMENDATIONS

Councilmember Borgeas and I respectfully request that the Mayor and Council join in adopting the attached joint resolution requesting relief from drought and regulatory decisions that severely reduce the amount of Federal water supply deliveries to Fresno County agriculture.

EXECUTIVE SUMMARY

The water supplies upon which millions of Californians depend are at risk because of new regulations imposed in the Sacramento-San Joaquin Bay-Delta Estuary (Delta), from the US Fish and Wildlife Service and the National Marine Fisheries Service. These regulations, while ostensibly designed to protect endangered species, are based upon questionable scientific evidence and fail to weigh or balance impacts to humans. In addition, aggravating existing water shortages caused by other environmental protection mandates and the effects of drought has created a human and economic crisis in Fresno County.

Access to adequate, reliable and affordable supplies of high-quality water is the most vital and fundamental need of all Californians and the many communities in which they live. But farmers on the West side of the San Joaquin Valley including large portions of Fresno County, are operating under severe and unprecedented water supply shortages due to drought and Delta related regulatory action.

Water supply shortages have created severe economic crises as well as great hardships for families and communities throughout Fresno County. As a result, current policies place human needs second to those of fish and wildlife. Every year will continue to be a struggle until the leaders of the State of California and the Federal Government find a comprehensive plan to stop this regulatory nightmare.

BACKGROUND

Water is THE lifeblood of the Central Valley. As the agricultural heartland of California, farmers, ranchers and farm workers know the value of water; their very success depends on having an adequate water supply to raise food and fiber crops consumers around the world require. Living in the arid West, the importance of water should be an everyday realization for all of its residents.

The agricultural communities in Fresno County produce more agricultural commodities than any other county in the nation. Fertile soil, a long growing season and innovative agriculturalists contribute, but water is what makes this all possible. Federal, state and locally developed water supplies have made Fresno County bloom, quite literally, to feed the world.

Currently, water districts on the West side of Fresno County have been allocated only 10 per cent of their Federal Central Valley Water (CVP) supply for 2009, resulting in the fallowing of over 250,000 acres of prime agricultural land in Fresno County. The East Side of Fresno County is likewise vulnerable to Delta-driven water cutbacks from the Friant Unit of the CVP.

This meager allocation underscores just how misguided the current water policy is in California and how our water system has all but been destroyed. While the government provides wildlife refuges with a 100 percent supply and sends hundreds of thousands of acre-feet of fresh water into the ocean, allocating only 10 percent water for the production of food and value-added products, jobs and economic activity, is clearly short-sighted and thoughtless. Agriculture has long supported a balanced approach to addressing California's water problems, meeting the needs of all stakeholders – urban, agriculture and environment. There is no balance now.

It is estimated that one out of every five jobs in Fresno County is related to agriculture. When water supplies are more readily available in most years, agricultural production in Fresno County exceeds \$5.3 billion dollars per year in direct revenue, generating for local economies \$3.50 for each dollar in direct receipts. The majority of local agriculturally derived revenue directly benefits the economy of the City of Fresno.

The State's severe economic downturn and water shortages have disproportionately and painfully impacted the following communities in Fresno County as evidenced by unemployment rates that are many times higher than those experienced in other parts of the state and the nation: Mendota- 38.8%, Huron- 35.5%, San Joaquin- 34.9%, Firebaugh 26.1%, Kerman 19.4%, City of Fresno-14.5%, County of Fresno- 15.4% overall.

Without the use of water for agriculture, our Fresno County economy, communities, farmers, farm workers and their families are drastically affected. We leave ourselves vulnerable to relying on food produced off-shore that have fewer food safety regulations and less environmental considerations in cultural practices. It is consumers across the world who largely benefit from our irrigated agriculture's use of water through the purchase of safe and wholesome food and fiber products. Ultimately, everyone will feel the impact.

FISCAL IMPACT

There is no fiscal impact.

Fast Facts about Agricultural Water Use

- An acre-foot of water is about 326,000 gallons, or enough water to supply two typical families for a year. But it takes 3.3 acre-feet of water to grow enough food for an average family for a year.
- In terms of water use, the environment is the biggest user of water in California, using 46 percent which is dedicated to state and federal wild and scenic rivers, in-stream flow requirements and applied water demands of freshwater wildlife areas. Agriculture uses 43 percent of the available water, while urban users consume 11 percent of the water.
- Farmers use less water today than they did 40 years ago, but they produce 67 percent more crops.
- Farmers effectively recycle water, effectively use drip and sprinkler irrigation, and use conservation efforts to reduce water shortages, but the population growth will still outgrow California's growing demand for water.

RESOLUTION _____

ADOPT A JOINT RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF FRESNO CALIFORNIA, REQUESTING RELIEF FROM DROUGHT AND REGULATORY DECISIONS SEVERELY REDUCING THE AMOUNT OF FEDERAL WATER SUPPLY DELIVERIES TO FRESNO COUNTY AGRICULTURE.

WHEREAS access to adequate, reliable and affordable supplies of high-quality water is the most vital and fundamental need of all Californians and the many communities in which they live; and

WHEREAS, the water supplies upon which millions of Californians depend are at risk because of new regulations from the US Fish and Wildlife Service and the National Marine Fisheries Service that have been imposed in the Sacramento-San Joaquin Bay-Delta Estuary (Delta) for the purpose of endangered species protection and that aggravating existing water shortages caused by other environmental protection demands and mandates and by the effects of drought; and

WHEREAS, curtailments in water supplies result in decreased economic activity, losses in employment, community and family hardships; and

WHEREAS, farmers on the West side of the San Joaquin Valley including large portions of Fresno County are operating under severe and unprecedented water supply shortages due to drought and Delta related regulatory action; and

WHEREAS, said water supply shortages have created severe economic crises and great hardship for families and communities throughout Fresno County; and

WHEREAS, water districts on the West side of Fresno County have been allocated only 10% of their Federal Central Valley Water (CVP) supply for 2009, resulting in the fallowing of over 250,000 acres of prime agricultural land in Fresno County; and

WHEREAS, the East Side of Fresno County including the City of Fresno, is likewise vulnerable to Delta-driven water cutbacks from the Friant Unit of the CVP; and

WHEREAS, it is estimated that one out of every five jobs in Fresno County is related to agriculture; and

WHEREAS, agricultural production in Fresno County when water supplies are more readily available in most years exceeds \$5.3 billion dollars per year in direct revenue and generates for local economies \$3.50 for each dollar in direct receipts; and

WHEREAS, the majority of local agriculturally derived revenue directly benefits the economy of the City of Fresno; and

WHEREAS, the State's severe economic downturn and water shortages have disproportionately and painfully impacted the following communities in Fresno County as evidenced by unemployment rates that are many times higher than those experienced in other parts of the state and the nation:

Mendota- 38.8%, Huron- 35.5%, San Joaquin- 34.9%, Firebaugh- 26.1%,
Kerman- 19.4%, City of Fresno- 14.5%, County of Fresno- 15.4% overall; and

WHEREAS the US Fish and Wildlife Service and the National Marine Fisheries Service have constrained State and Federal pumping in the Delta and thereby severely reduced water deliveries to the rest of California in the belief that restrictions on pumping will protect endangered Salmon, Delta Smelt and other native species in the Delta; and

WHEREAS, the primary threat to native species in the Delta, based upon current scientific evidence, is not the operation of State and Federal pumping facilities, but rather the collapse of food sources on which threatened species depend, due to unscreened water diversions, invasive species, toxic discharges to numerous waters and other factors that have been occurring in the Delta for an extended period of time; and

WHEREAS, water deliveries have been reduced by more than one million acre feet over the past two years without any demonstrable benefit to any endangered species; and

WHEREAS, reduced Delta water deliveries from State and Federal water projects to Fresno County and the State will continue to sharply retard any economic recovery, especially in the San Joaquin Valley.

WHEREAS, without regulatory and/or legislative relief, water supply shortages impacting Fresno County and the entire State will have lasting and possibly irreversible impacts; and

WHEREAS, farmers, farm workers, business owners, their families and entire communities desperately need and deserve relief from the hardships and uncertainties caused by continuing water shortages.

NOW, THEREFORE BE IT RESOLVED, by the City of Fresno as follows:

The Mayor and the Council acknowledge and support the Governor of California's declaration of a State of Emergency in February and declaring a major disaster for Fresno County on June 19, 2009, due to drought conditions.

The Mayor and Council acknowledge and support the Governor's request to the President of the United States requesting the President to declare a major disaster for Fresno County, due to drought conditions and call upon the President to do so;

Furthermore, the Mayor and Council authorize and directs that a copy of this resolution be forwarded to the Governor and Legislators of the State of California demanding:

- (i) regulatory and legislative relief from Delta pumping restrictions and reduced water supply deliveries; and
- (ii) that the Governor and Members of the California Legislature immediately develop, authorize and seek voter approval of a Comprehensive Water Plan to solve current water supply and related problems while meeting the needs of the future. At a minimum the Water Plan should include, creation of new water conveyance facilities to protect the environment and restore water supply reliability south of the Delta; creation of new and expanded groundwater storage facilities; and development of new above-ground reservoirs such as Sites and Temperance Flat; and
- (iii) that the State of California shall implement the proposed two-gates fish protection project; and
- (iv) any and all State and Federal assistance which may be available to provide relief to those impacted by water shortage and related unemployment; and

The Mayor and Council further authorize and directs the City Clerk to forward a copy of this resolution to all Federal legislators representing California, requesting:

- (i) relief from all discretionary water delivery restrictions, and
- (ii) fiscal relief from economic impacts attributable to federally induced water supply shortages; and
- (iii) request the re-evaluation of National Marine Fisheries Service (NMFS) biological opinion; and

The Mayor and Council further authorize and directs that a copy of this resolution be forwarded to the President of the United States, U.S. Secretary of the Interior, the U.S. Secretary of Commerce and the Secretary of the United States Department of Agriculture demanding immediate relief from all discretionary water delivery reductions and compliance with the recent federal court decision stipulating conformance with the National Environmental Policy Act prior to the exercise of any discretionary water delivery reductions.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF FRESNO } ss.
City of Fresno }

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2009.

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____, 2009
Mayor Approval/No Return: _____, 2009
Mayor Veto: _____, 2009
Council Override Veto: _____, 2009

REBECCA E. KLISCH
City Clerk

Deputy

GAAS:320:09

For Immediate Release:
Friday, June 19, 2009

Contact: Aaron McLear
Lisa Page
916-445-4571

Gov. Schwarzenegger Requests Federal Disaster Declaration, Issues Executive Order to Provide Assistance

Showing that government still works for the people, Governor Arnold Schwarzenegger today requested a federal disaster declaration from President Obama for Fresno County and issued Executive Order S-11-09, activating the California Disaster Assistance Act. By taking this action, the state will be able to provide temporary supplemental assistance to the local governments and non-profit organizations that supply food and other aid to those who are impacted by the drought statewide. The order also waives the one-week waiting period for unemployment insurance.

"California's Central Valley is our nation's agricultural engine and unemployment here is devastating the economy and hurting the people of California," said Governor Schwarzenegger. "These are dire circumstances – no water means no work – and no work means people cannot feed their families. This drought is truly an emergency, and the actions we are taking today show how government can still work for the people when they need it most.

"We urgently need a clean, reliable water supply, and I am committed to getting comprehensive water reform done once and for all. We must invest in our future, protect our precious resources and protect the state of California."

In February, Gov. Schwarzenegger declared a state of emergency due to drought conditions statewide and ordered immediate action to manage the crisis. In the proclamation, the Governor exerted his executive authority to direct all state government agencies to utilize their resources, implement a state emergency plan and provide assistance for people, communities and businesses impacted by the drought. Today's executive order builds on the earlier proclamation and allows for additional assistance.

Text of executive order:

EXECUTIVE ORDER S-11-09

BY THE GOVERNOR OF THE STATE OF CALIFORNIA

WHEREAS on June 4, 2008, I issued an Executive Order proclaiming a statewide drought, and I ordered my administration to take immediate action to address the water shortage; and

WHEREAS on June 12, 2008, I proclaimed a state of emergency for nine Central Valley counties because the drought had caused conditions of extreme peril to the safety of persons and property; and

WHEREAS on February 27, 2009, I proclaimed a state of emergency for the entire state as the severe drought conditions continued and the impacts were well beyond the Central Valley; and

WHEREAS the February 27, 2009 state of emergency proclamation provided specific orders and directions to my Department of Water Resources, State Water Resources Control Board, Department of General Services, Department of Public Health, California Department of Food and Agriculture, and Labor and Workforce Development Agency to reduce and mitigate the human, environmental, and economic impact of the drought; and

WHEREAS I have supported state and local water managers' efforts to increase the availability of water, directed efforts to better integrate regional water management practices to balance water demand with water supply, directed expedited water transfers, ordered increased job training, and substantially increased statewide water conservation; and

WHEREAS I have requested and we have received United States Department of Agriculture disaster designations for 21 counties for drought; and

WHEREAS the drought conditions have exacerbated unemployment and the local emergency food banks are struggling to meet the demands of hungry families.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, in accordance with the authority vested in me by the state Constitution and statutes, activate the California Disaster Assistance Act to provide temporary supplemental assistance to the local governments and non-profit organizations that provide food and other aid to those who are impacted by the drought statewide.

IT IS HEREBY ORDERED that my California Emergency Management Agency, Department of Social Services, Labor and Workforce Development Agency, and California Department of Food and Agricultural develop a comprehensive strategy by July 15, 2009, to provide adequate nutrition for those individuals who are temporarily unable to afford food as a result of the drought conditions.

IT IS FURTHER ORDERED THAT the provisions of California Unemployment Insurance Code section 1253 imposing a one-week waiting period for unemployment insurance applicants are suspended as to all applicants who are unemployed as a specific result of the drought conditions, who apply for unemployment insurance benefits during the time period beginning June 19, 2009, and ending on the close of business on November 1, 2009, and who are otherwise eligible for unemployment insurance benefits in California.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 19th Day of June 2009.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:

DEBRA BOWEN
Secretary of State

Text of the letter:

June 19, 2009

The President
The White House
Washington, DC 20500

Through: Ms. Nancy Ward
Regional Administrator, Region IX
Federal Emergency Management Agency
1111 Broadway
Suite 1200
Oakland, California 94607-4052

Dear Mr. President,

Under the provisions of Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. Sections 5121-5207 (Stafford Act), and implemented by Title 44 of the Code of Federal Regulations (44 CFR) Section 206.36, I request that you declare a major disaster for the State of California in the County of Fresno commencing April 14, 2009, and continuing as a result of severe drought conditions that have devastated California for the third consecutive year.

In response to the situation, I have taken appropriate action under state law and directed the execution of the State Emergency Plan on June 4, 2008, in accordance with Section 401 of the Stafford Act, and issued an executive order proclaiming a statewide drought. On June 12, 2008,

I issued an emergency proclamation finding that conditions of extreme peril to the safety of persons and property existed in the counties of Fresno, Kern, Kings, Madera, Merced, Sacramento, San Joaquin, Stanislaus and Tulare caused by extreme drought conditions and ordering my administration to take emergency action to assist the Central Valley. On February 27, 2009, I issued another emergency proclamation in response to worsening emergency conditions due to drought not just in the Central Valley, but throughout the State of California. Today, I issued an executive order to provide assistance to local governments and certain private nonprofit organizations under the California Disaster Assistance Act.

The California Department of Water Resources (DWR) indicates that water supplies in California have been severely challenged as we undergo our third straight year of below-average precipitation. Water supplies for many cities, farms and businesses that depend upon the Sacramento-San Joaquin Delta are being significantly reduced due to various factors, including environmental restrictions to protect fish species and a lack of investment in the State's water storage and delivery system.

Furthermore, the recently issued biological opinion by the National Marine Fisheries Service to protect salmon, which could reduce Delta export on average by about 300,000 to 500,000 acre feet annually, reduces our ability to provide a reliable water supply. Climate change may also be compounding the problem.

To address these challenges, water managers have been working on developing long-term strategies to:

- Implement statewide water management and integrated regional water management to balance water demand with water supply.
- Increase storage. This includes both surface storage and groundwater storage reservoirs.
- Fix the Delta. The Delta is plagued by a collapsing ecosystem, unreliable water exports, decreasing water quality and flood risks.
- Increase water conservation to meet my plan to reduce individual water use by 20 percent.

In response to this situation, DWR has been holding workshops around the state and conducting a public relations campaign, to help people conserve water. In addition, DWR has been helping facilitate the transfer of water from willing sellers to interested buyers through both the Drought Water Bank and individual buyer and seller agreements.

In summary, improving the water supply outlook for California will involve major water conservation and diverse actions including implementing integrated regional water management, fixing the Delta, water transfers and more water storage projects. However, these efforts will not alleviate the short-term impacts of the current drought emergency to the people of Fresno County.

Fresno is the leading agricultural county in the State of California, responsible for 15 percent of the state agricultural production. The county reports that one out of every five jobs in the county is related to agriculture.

Fresno County conducted surveys of business, agriculture and individuals impacted by the drought and limited water resources. Approximately 94 percent of agricultural businesses reported that they were affected by the drought, and 73 percent have reduced their work force. The county's documentation indicates 3,265 jobs have been lost as a result of the drought and projections indicate that at least another 2,200 will be lost as conditions worsen.

The Community Food Bank in Fresno has experienced a significant increase in the number of people seeking food assistance and reports that individuals line up at the local food lockers and pantries for hours prior to the slated food distribution time. The Emergency Food Assistance Program (EFAP) is not designed to supplement nutritional needs for more than two to three days a month, so there is a need for additional U.S. Department of Agriculture (USDA) commodities to meet the current and projected demands for food.

Also, the current and projected unemployment and lack of adequate food and other resources may increase the need for crisis counseling and legal services.

Although Fresno has asked the state to pursue a presidential disaster declaration on its behalf, we anticipate that other counties will make similar requests. Currently, the State of California has requested USDA disaster designations for drought for 14 counties.

During the 2007 freeze that also affected Fresno County's agricultural community, I was able to provide monetary assistance to affected food banks and nonprofit organizations to address immediate needs. However, due to the dire fiscal crisis in California, the state is not in a position to provide similar assistance for the drought.

Although the full impacts of the drought are yet to be realized and quantified, pursuant to 44 CFR Section 206.35, I have determined that this incident is of such severity and magnitude that effective response is beyond the capabilities of the state and affected local governments, and that supplementary federal assistance is necessary to save lives and to protect property, public health and safety, or to lessen or avert the threat of a disaster. I am specifically requesting Unemployment Assistance, Food Commodities, Crisis Counseling Assistance and Training, Legal Services, and any other Stafford Act programs that may be deemed appropriate for those who have lost employment and income as a result of the drought.

Total projected costs for the drought are unknown at this time, and I am therefore unable to include total projected program costs and outlays to accompany this request. However, I am enclosing a copy of the Fresno County 2009 Drought Disaster Statistics, which further delineates the severe projected economic impacts for that county. The state will continue to work with Fresno and the other impacted counties to determine damages and potential needs as a result of the escalating drought situation. As the information is collected by the state, it will be forwarded to the Federal Emergency Management Agency (FEMA) to ensure a Preliminary Damage Assessment is completed as soon as possible. In support of the counties affected by the drought,

the state stands ready to activate its Regional Emergency Operations Centers, as well as the State Operations Center (SOC) to provide resources and assistance to the affected areas.

I certify that for this major disaster, the state and local government will assume all applicable non-federal shares of costs required by the Stafford Act.

The State of California does have an approved Enhanced State Hazard Mitigation Plan, which was approved by FEMA in December of 2007.

I have designated Matthew R. Bettenhausen, Acting Secretary of the California Emergency Management Agency, as the State Coordinating Officer for this request. He will work with FEMA to provide any additional information or justification on my behalf. Thank you for your consideration of this request.

Sincerely,

Arnold Schwarzenegger

Enclosures

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